Government of Saskatchewan

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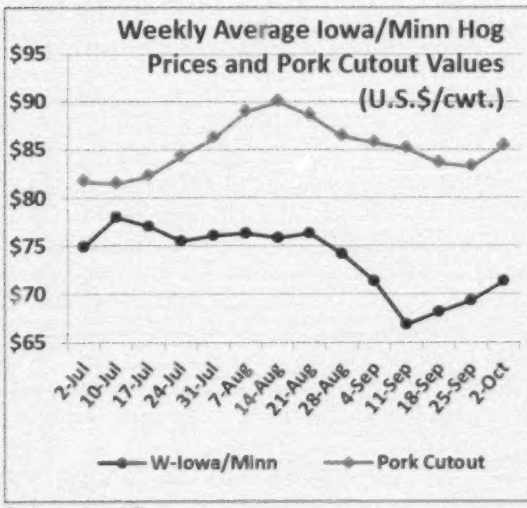
Weekly Hog Report

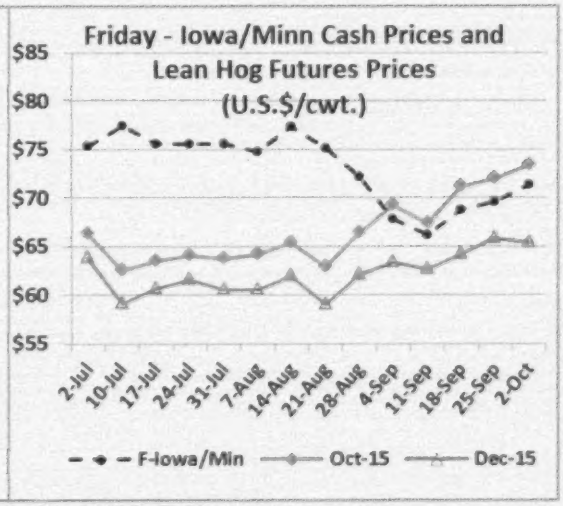
October 5, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed but overall steady last week and managed to edge higher, week-over-week. Hog prices on Friday October 2 averaged US$71.31 per cwt, up US$1.71 per cwt or 2.5 per cent from US$69.60 per cwt the previous Friday. The negotiated base price last week averaged US$71.40 per cwt, up US$2.04 per cwt or 2.9 per cent from US$69.36 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

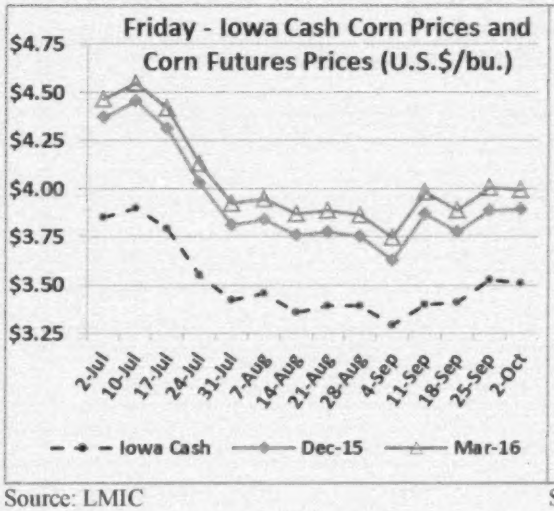
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday Oct. 2, 2015 was $172.55 per ckg, up $2.05 per ckg or 1.2 per cent from $170.50 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $172.49 per ckg, up $4.93 per ckg or 2.9 per cent from the previous weeks' average price of $167.56 per ckg. The Canadian dollar edged 0.86 cents higher last week to close Friday at 75.96 cents; up from the previous Friday's close of 75.10 cents.

Futures Markets

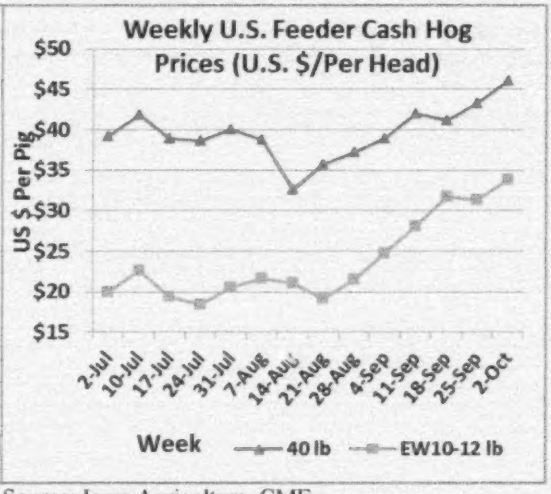
Lean hog futures daily prices were mixed over the week and ended the week mixed, week-over-week. The nearby October contract increased US$1.475 per cwt to settle Friday at US$73.350 per cwt, while the December contract declined US$0.400 per cwt to settle Friday at US$65.375 per cwt. Current cash hog prices are below the October lean hog contract, but almost $6 per cwt higher than the December futures contract.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were both higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$2.46 per head higher to average US$33.78 per head, up from US$31.32 per head the previous week. Feeders (40lb) were US$46.00 per head, up $2.77 per head from US$43.23 per head the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices edged lower week-over-week declining 2 cents to settle Friday at US$3.51 per bushel. Corn futures prices were mostly steady over the week. The December corn futures contract was up only a ¼ cent over the week to settle Friday at $3.89¼ per bushel, while the March 2016 contract declined less than one cent to settle Friday at $3.99½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 3 were estimated at 2.270 million head, down slightly from 2.276 million head the previous week, but up 8.9 per cent from 2.084 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending October 3 averaged 2.221 million head per week, up 7.5 per cent from 2.066 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Sept. 26, 2015 were estimated at 409,716 head, down 3.9 per cent from 426,447 head the previous week, and down 0.4 per cent from 411,397 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending September 26, 2015, were estimated to average 390,128 head, down 1.3 per cent from 395,215 head over the same period a year ago. Year-over-year, Canadian hogs slaughtered are 15.535 million head, up 2.7 per cent.

Meat Production

U.S. pork production for the week ending October 3, 2015 was estimated at 474.9 million lb., down slightly from 475.3 million lb. the previous week, but up 7.0 per cent from 443.7 million lb. the same week a year ago. Pork production over the last four weeks ending October 3 was estimated to average 465.0 million lb., up 5.9 per cent from 439.0 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 3 was estimated at 483.0 million lb., steady from 482.8 million lb. the previous week, but up 1.6 per cent from 475.3 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending September 26, 2015, was estimated to average 2.021 billion lb., up 4.2 per cent from 1.939 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.8 per cent compared to the same period in 2014.

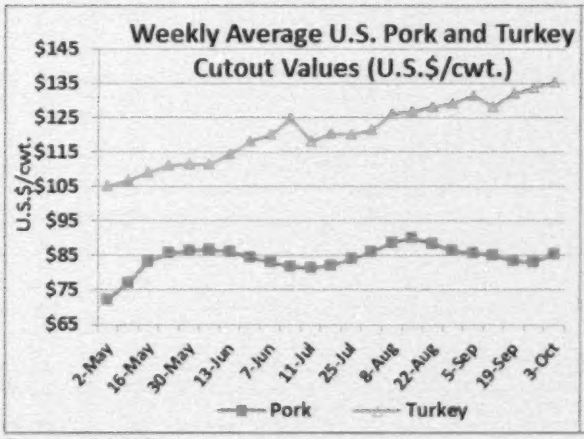
United States Weekly Meat Production

(Sept. 26) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	422.4	459.8	8.8%	7.9%
Beef	462.5	467.2	1.0%	-3.6%
Chicken	920.9	980.1	6.4%	6.7%
Turkey	132.9	114.0	-14.2%	-4.0%
Total	**1,938.7**	**2,021.0**	**4.24%**	**3.77%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending October 3, 2015 averaged US$85.40 per cwt, up US$2.17 per cwt or 2.6 per cent from US$83.23 per cwt the previous week, but down 30.1 per cent from US$122.13 per cwt from a year ago. Seasonally, pork cutout values typically trend lower into the fourth quarter with larger pork supplies. Pork cutout values the last few weeks have held relatively steady compared to beef and chicken cutouts.



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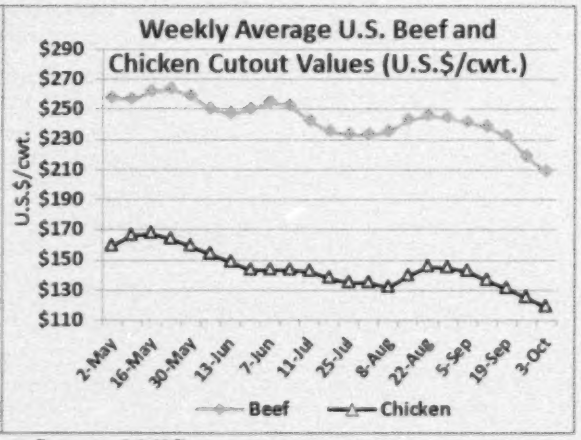

Source: LMIC

Choice beef cutout prices (600-900 lb.) for the week ending October 3, 2015 averaged US$208.44 per cwt, down US$10.22 per cwt or 4.7 per cent from US$218.66 per cwt the previous week, and down 12.5 per cent from US$238.19 per cwt the same week a year ago.

Average chicken cutout values (Northeast breast) for the week ending October 3, 2015 averaged US$118.29 per cwt, down US$6.26 per cwt or 5.0 per cent from US$124.55 per cwt the previous week, and down 38.3 per cent from US$191.82 per cwt the same week a year ago.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca